
Subject: Project Eagle – Eastside Pumping Station Forcemain and Barrick Road Watermain Extension - Tender Award

Report to: Public Works Committee

Report date: Tuesday, March 4, 2025

Recommendations

1. That the Commissioner of Public Works **BE DELEGATED** the authority to award the tender for the construction for the Eastside Pumping Station Forcemain and Barrick Road Watermain Extension (the “Project”) in the City of Port Colborne, and that such authority only be permitted if the following conditions are satisfied:
 - (a) the award is to the lowest compliant bidder, as determined in accordance with the evaluation and award process set out in the tender documents (the “Successful Bidder”);
 - (b) the award is within the approved project budget and is otherwise in compliance with the Region’s Procurement Bylaw; and
 - (c) the City of Port Colborne (the “City”) has agreed to pay for the cost of all City infrastructure to be delivered as part of the Project.
2. That the Commissioner of Public Works **BE AUTHORIZED** to execute the resulting construction agreement for the Project with the Successful Bidder provided that the agreement is in a form satisfactory to the Director of Legal and Court Services and the conditions set out in Recommendation 1 have been satisfied.
3. That the Commissioner of Public Works **BE AUTHORIZED** to award the provisional Phase 2 work (Contract Administration and Inspection) under Contract 2023-RFP 225 with Associated Engineering dated January 24, 2024 and execute all necessary agreements in order to give effect thereto, provided that such award is within the approved budget and the City of Port Colborne has agreed to pay its proportionate share of the costs in respect thereof.

Key Facts

- The purpose of this report is to request Council’s approval to delegate authority to the Commissioner of Public Works to award the construction tender, provided the award goes to the lowest compliant bidder, and to award the provisional Phase 2 work (Contract Administration and Inspection) to Associated Engineering.

- The project involves the installation of a trunk watermain and multiple forcemain crossings beneath the Welland Canal in a tunnel. This infrastructure will support Asahi Kasei (Project Eagle), the East Side Employment Lands (ESEL), and future residential development in Port Colborne.
- To meet the committed timelines for Asahi Kasei (Project Eagle), construction must be completed by Q3 2027. Any delays in the 18-month construction schedule could affect the timely servicing of the site.
- The Region's Procurement By-law requires Council approval for tender awards greater than \$5,000,000. However, staff recommend delegating the authority to the Commissioner of Public Works to award and execute the construction contract, which will reduce the project duration by approximately 8-12 weeks.
- The Region's Procurement By-law requires Council approval for single source awards greater than \$1,000,000. However, staff recommend delegating the authority to the Commissioner of Public Works to award and execute the provisional Phase 2 work (Contract Administration and Inspection) with Associated Engineering shortening the project duration by the same 8-12 weeks.
- Staff are recommending these delegated authorities as the project must be expedited to service the Asahi Kasei site within the required timeline.
- Staff recommend this course of action as it will expedite the project schedule, allowing time for unforeseen delays and greatly reduce the risks of not completing the Project by the promised date.

Financial Considerations

The Barrick Road Watermain Extension (20000623) has an approved capital budget of \$51,207,000. The Eastside Pumping Station Forcemain Replacement (20000711) has an approved capital budget of \$52,785,000. The projects have a combined approved capital budget of \$103,992,000. The projects have actual and committed expenditures of \$660,082 and \$1,306,123 respectively as of January 25, 2025, for a total combined amount of \$1,966,205.

Associated Engineering's 75% Construction Cost Estimate (Class 2) for Project Eagle which includes \$54,248,520 for the Niagara Regional Infrastructure and \$18,580,182 the City of Port Colborne Infrastructure, for a total estimated contract value of \$72,830,000 (excluding taxes). This is exclusive of the contract administration and construction inspection, material testing, and internal costs.

The estimated costs for Contract Administration and Inspection are \$1,380,000 (including City of Port Colborne portion).

A cost share agreement with the City of Port Colborne will be executed in advance of award and is currently in draft form. No award will be made without a signed cost share agreement.

A full budget breakdown for each project can be found in Appendix 1 to Report PW 10-2025 (Total Estimated Project Cost).

Analysis

Project Required for Infrastructure Renewal and Growth

The East Side pumping station and its forcemain have been in service since 1980, and the forcemain now requires replacement. A Municipal Class Environmental Assessment and Conceptual Design was completed to establish a preferred route and preliminary design for the proposed new 500mm diameter forcemain from the East Side pumping station to the Seaway WWTP (including a tunnelled crossing of the Welland Canal). The Class EA project also considered the need for coordination with other area infrastructure projects that require a crossing of the Welland Canal including a 450mm diameter Barrick Road watermain extension, recommended as part of the Region's 2016 Water and Wastewater Master Servicing Plan Update.

The new watermain and multiple forcemain crossings will support the Asahi Kasei site (Project Eagle) as well as future economic development opportunities in the East Side Employment Lands (ESEL) and future residential growth in City of Port Colborne.

Associated Engineering Inc. (AE) was retained through a competitive procurement process to complete the detailed design and provisionally provide contract administration and construction inspection services for the Eastside Pumping Station Forcemain and the Barrick Road Watermain Extension. Given the time constraints associated with the Asahi Kasei site (Project Eagle), it is recommended that Council delegates the authority to award the provisional Phase 2 work (Contract Administration and Inspection) under Contract 2023-RFP 225 with Associated Engineering dated January 24, 2024, to the Commissioner of Public Works for this Project.

Project Timeline Must Be Expedited to Service Asahi Kasei Site

Niagara Region and City of Port Colborne have committed to providing the required servicing to the Asahi Kasei site (Project Eagle) with completion by Q3-2027. This estimate is based on a 22-month construction timeline and all administrative requirements leading up to construction kickoff, including a 6-week tendering period and

approximately 8–12-week turnaround time from tender close to obtaining Council approval to award construction, as the successful bid is assumed to be over \$5,000,000, as per Niagara Region Procurement By-Law requirements.

Given the time constraints associated with the Asahi Kasei site (Project Eagle), and the cost estimate for construction, and the total exceeding \$5,000,000, it is recommended that Council delegates the authority to award the construction contract to the Commissioner of Public Works for this Project (provided such award is to the lowest compliant bidder and is within the approved budget).

By doing this, the construction contract could be awarded to the Successful Bidder at the earliest opportunity and the contractor will potentially be able to begin site works by the end of Q2-2025. This will save an additional 8-12 weeks of potential construction time to the Project, thereby allowing time for unforeseen delays and greatly reduce the risks of not completing the Project by the promised date.

Alternatives Reviewed

Do Nothing (not recommended): Council could direct staff to wait until August/September Regional Council for formal approval. However, this alternative poses a risk to the successful completion of the Project as any delays could result in missing the promised completion date for Project Eagle. Therefore, the lands will not be serviced on-time and development of the lands will be delayed.

Relationship to Council Strategic Priorities

We are working collaboratively to achieve community benefit through the adoption of new infrastructure that will not only support this development but future developments that will bring about further employment and prosperity as per the 2023 - 2026 council strategic plan.

The recommendations provided in this report align with Council's strategic priorities of a Green and Resilient Region, Objective 2.3: Build resiliency into our infrastructure to support growth and prepare for the impacts of climate change, and an Effective Region, and Objective 1.3: Deliver fiscally responsible and sustainable services.

Other Pertinent Reports

[PDS-C 21-2024 Memorandum Regarding Project Eagle](https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=bb190b0b-08e1-49d3-8ff8-b3c82ae14fe6&Agenda=Agenda&lang=English&Item=31&Tab=attachments)

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Appendices

Appendix 1 Total Estimated Project Cost

PW 10-2025 Appendix 1**Total Estimated Project Cost****Table 1 Barrick Road Watermain Extension**

Total Estimated Project Cost (20000623)*	Council Approved Budget	Budget Increase/ Reallocation	Revised Council Approved Budget	Expended & Committed as of 01/31/25	Contract Award/ Forecast	Budget Remaining
Project Element	(A)	(B)	(C) = (A) + (B)	(D)	(E)	(F) = (C)-(D)- (E)
(a) Construction (including Construction Contingency and 1.76% non-recoverable HST)	41,675,700	-	41,675,700	-	41,675,700	-
(b) Project Contingency	7,559,396	(990,000)	6,569,396	-	6,569,396	-
(c) Consulting Engineering Services	-	-	-	-	-	-
i. Detailed Design	1,500,000	(109,804)	1,390,196	517,543	872,653	-
ii. Contract Administration & Inspection	-	690,000	690,000	-	690,000	-
iii. Geotech/HydroGeotech Investigations	-	109,804	109,804	109,804	-	-
iv. Various Studies	-	300,000	300,000	-	300,000	-
v. Environmental Assessment	233,821	-	233,821	-	233,821	-
(d) Project Management (In-House) and Operations	238,083	-	238,083	32,735	205,348	-
Total Estimated Project Cost	51,207,000	-	51,207,000	660,082	50,546,918	-

Total Estimated Project Cost (20000623)*	Council Approved Budget	Budget Increase/ Reallocation	Revised Council Approved Budget	Expended & Committed as of 01/31/25	Contract Award/ Forecast	Budget Remaining
Regional reserves & debt	(25,603,500)	-	(25,603,500)	(330,041)	(25,273,459)	-
Development Charges - Water	(25,603,500)	-	(25,603,500)	(330,041)	(25,273,459)	-
Total Project Funding Sources	(51,207,000)	-	(51,207,000)	(660,082)	(50,546,918)	-

*All costs include 1.76% non-recoverable HST

PW 10-2025 Appendix 1**Total Estimated Project Cost****Table 2 Eastside Pumping Station Forcemain Replacement**

Total Estimated Project Cost (20000711)*	Council Approved Budget	Budget Increase/ Reallocation	Revised Council Approved Budget	Expended & Committed as of 01/31/25	Contract Award/ Forecast	Budget Remaining
Project Element	(A)	(B)	(C) = (A) + (B)	(D)	(E)	(F) = (C)-(D)- (E)
(a) Construction (including Construction Contingency and 1.76% non-recoverable HST)	-	-	-	-	-	-
i. Niagara Region	19,165,500	-	19,165,500	-	19,165,500	-
ii. City of Port Colborne	24,200,000	(3,720,000)	20,480,000	-	20,480,000	-
(b) Project Contingency	7,854,900	(1,706,743)	6,148,157	-	6,148,157	-
(c) Consulting Engineering Services	-	-	-	-	-	-
i. Detailed Design	1,260,200	(287,937)	972,263	733,947	238,316	-
ii. Contract Administration & Inspection	-	390,000	390,000	-	390,000	-
iii. Geotech/HydroGeotech Investigations	-	928,080	928,080	178,080	750,000	-
iv. Subsurface Utility Engineering	-	100,000	100,000	-	100,000	-
v. Various Studies	-	200,000	200,000	-	200,000	-
vi. Geotech- Materials and Testing	-	200,000	200,000	-	200,000	-
vii. Environmental Assessment	66,000	176,600	242,600	242,600	-	-
viii. City of Port Colborne Share	-	3,720,000	3,720,000	-	3,720,000	-
(d) Project Management (In-House) and Operations	238,400	-	238,400	151,496	86,904	-
Total Estimated Project Cost	52,785,000	-	52,785,000	1,306,123	51,478,877	-

Total Estimated Project Cost (20000711)*	Council Approved Budget	Budget Increase/ Reallocation	Revised Council Approved Budget	Expended & Committed as of 01/31/25	Contract Award/ Forecast	Budget Remaining
Regional reserves & debt	(17,968,049)	-	(17,968,049)	(1,306,123)	(16,661,926)	-
Provincial Grants	(10,616,951)	-	(10,616,951)	-	(10,616,951)	-
Municipal Cost Sharing - City of Port Colborne	(24,200,000)	-	(24,200,000)	-	(24,200,000)	-
Total Project Funding Sources	(52,785,000)	-	(52,785,000)	(1,306,123)	(51,478,877)	-

*All costs include 1.76% non-recoverable HST

PW 10-2025 Appendix 1**Total Estimated Project Cost****Table 3 Combined Project Costs**

Total Estimated Project Cost - 20000711 and 20000623 *	Council Approved Budget	Budget Increase/ Reallocation	Revised Council Approved Budget	Expended & Committed as of 01/31/25	Contract Award/ Forecast	Budget Remaining
Project Element	(A)	(B)	(C) = (A) + (B)	(D)	(E)	(F) = (C)-(D)-(E)
(a) Construction (including Construction Contingency and 1.76% non-recoverable HST)	-	-	-	-	-	-
i. Niagara Region	60,841,200	-	60,841,200	-	60,841,200	-
ii. City of Port Colborne	24,200,000	(3,720,000)	20,480,000	-	20,480,000	-
(b) Project Contingency	15,414,296	(2,696,743)	12,717,553	-	12,717,553	-
(c) Consulting Engineering Services	-	-	-	-	-	-
i. Detailed Design	2,760,200	(397,741)	2,362,459	1,251,490	1,110,969	-
ii. Contract Administration & Inspection	-	1,080,000	1,080,000	-	1,080,000	-
iii. Geotech/HydroGeotech Investigations	-	1,037,884	1,037,884	287,884	750,000	-
iv. Subsurface Utility Engineering (SUE)	-	100,000	100,000	-	100,000	-
iv. Various Studies	-	500,000	500,000	-	500,000	-
vi. Geotech- Materials and Testing	-	200,000	200,000	-	200,000	-
vii. Environmental Assessment	299,821	176,600	476,421	242,600	233,821	-
viii. City of Port Colborne	-	3,720,000	3,720,000	-	3,720,000	-
(d) Project Management (In-House) and Operations	476,483	-	476,483	184,231	292,252	-
Total Estimated Project Cost	103,992,000	-	103,992,000	1,966,205	102,025,795	-

Total Estimated Project Cost - 20000711 and 20000623 *	Council Approved Budget	Budget Increase/ Reallocation	Revised Council Approved Budget	Expended & Committed as of 01/31/25	Contract Award/ Forecast	Budget Remaining
Regional Reserves and Debt	(43,571,549)	-	(43,571,549)	(1,636,164)	(41,935,385)	-
Development Charges - Water	(25,603,500)	-	(25,603,500)	(330,041)	(25,273,459)	-
Provincial Grants	(10,616,951)	-	(10,616,951)	-	(10,616,951)	-
Municipal Cost Sharing - City of Port Colborne	(24,200,000)	-	(24,200,000)	-	(24,200,000)	-
Total Project Funding Sources	(103,992,000)	-	(103,992,000)	(1,966,205)	(102,025,795)	-

*All costs include 1.76% non-recoverable HST